PUBLIC DISCLOSURE

August 26, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Israel Discount Bank of New York

19977

511 Fifth Avenue
New York, New York 10017

FEDERAL DEPOSIT INSURANCE CORPORATION
DIVISION OF COMPLIANCE AND CONSUMER AFFAIRS
New York Region
452 Fifth Avenue
New York, New York 10018

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Israel Discount Bank of New York, New York, New York, prepared by the Federal Deposit Insurance Corporation, the institution's supervisory agency.

The evaluation represents the agency's current assessment and rating of the institution's CRA performance based on an examination conducted as of August 26, 1996. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

ASSIGNMENT OF RATING

Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

Outstanding record of meeting community credit needs.

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Satisfactory record of meeting community credit needs.

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources.

Needs to improve record of meeting community credit needs.

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Substantial noncompliance in meeting community credit needs.

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating:

This institution is rated Satisfactory based on the following findings.

I. Ascertainment of Community Credit Needs

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

Conclusion/Support:

Israel Discount Bank of New York is a wholesale bank located in Manhattan’s commercial and retail sector. As a result, the bank’s ascertainment activities are primarily wholesale in nature. The bank’s loan officers attract new business by personally canvassing potential customers in the community. The bank regularly uses Dun & Bradstreet reports to target specific business sectors and to run direct mail marketing campaigns.

In October 1995, the bank hosted a cocktail reception targeted to members of the Indian business community in New York City. Through the membership of three of its officers, the bank also participates in The Fashion Roundtable, a nonprofit organization for the fashion industry which facilitates the disbursement of information to its members, local fashion-related businesses.

In both 1995 and 1996, the bank was an exhibitor at the annual Arthur Anderson Banking and Finance Expo, where the bank was exposed to a variety of accounting firms, banks, and finance and leasing companies, as well as city, state, and Federal agencies. The bank also provided loan officers as panel members to discuss such topics as “How to Prepare for Financing” and “Global Expansion” which covered import/export, foreign exchange, and trade finance.

In January 1996, the bank participated in educational seminars at Bramson College on behalf of the Bankers and Accountants of the American Organization for Rehabilitation through Training (ORT). Two of the bank’s loan officers are active in the organization on behalf of Israel Discount Bank and have made speeches to attendees of the organization’s seminars and job fairs.

The bank regularly participates in the activities and meetings of community organizations such as Neighborhood Housing Services, Grand Central Partnership, and the 34th Street Partnership.

A contact with a community development group established during this examination stated that local financial institutions are generally involved with the community. However, the group stated that more direct contact and participation is needed. The contact provided a potential project whereby the group would provide certificates of deposit to secure small business loans and reduce the interest rate for the small business. However, the contact stated that the group was unable to attract sufficient interest in the program due to banks' lack of understanding of how this type of credit would be beneficial to the community. Other community contacts referenced during this examination revealed potential consortium lending for small businesses: two programs, targeted specifically to wholesale banks, fund road contractors and child care centers. These programs allow lending within the short-term, large-balance criteria characteristic of wholesale banks.

The bank's ascertainment activities are adequate given its lending and investment objectives and the expertise of management.

Assessment Factor C - The extent of participation by the institution's board of directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

Conclusion/Support:

Annually, the bank's board of directors review and approve the bank's CRA Statement and CRA policy. The board annually receives a list of the bank's CRA activities, and the president informs the board of new lending or investment activities related to CRA monthly.

The bank's directors participate in a number of charitable activities. However, in order to be considered in the bank's CRA performance, participants must partake in charitable and community development activities on behalf of the bank.

II. Marketing and Types of Credit Offered and Extended

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

Conclusion/Support:

Since the bank's operations are wholesale in nature, advertisements are not targeted to consumers. The bank's advertising is generally image-focused; however, some of the industry journal advertising covers commercial lending, such as lines of credit, letters of credit, and asset based lending. Recent journal advertising includes Fashion Manuscript, Women's Wear Daily, and Hadoar (a Hebrew publication). The bank has also advertised its name in the window of a business financed by the bank, and the bank regularly makes pamphlets available that generally describe credit and deposit services. As noted under Assessment Factor A, the bank's primary source of attracting customers is through direct mail marketing campaigns.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.

Conclusion/Support:

As of June 30, 1996, the bank's $691,991,000 domestic loan portfolio is dispersed as follows: loans secured by real estate, $86,916,000 (13%); loans to US depository institutions, $10,453,000 (2%); loans to banks in foreign countries, $19,395,000 (3%); domestic commercial and industrial loans, $493,838,000 (71%); commercial and industrial loans to non-US addressees, $1,589,000*; consumer loans, $3,061,000*; obligations of US states and political subdivisions, $4,229,000*; and all other loans, $72,510,000 (10%). (*--Note: these categories account for less than 1% of the loan portfolio.)

The bank does not offer retail credit: one-to-four family residential mortgage, home improvement, or small farm loans. The bank's Reports of Condition and Income lists commercial loans with original amounts of less than $1 million: five of these loans are to businesses with gross revenues less than $1 million, and one loan is to a new business that has projected revenues just under $1 million. While these six loans technically meet the qualification of small business loans, many of the principals are also involved in other large businesses that have substantial relationships with the bank.

The bank does engage in a form of third-party lending that facilitates credit to small businesses: the bank has extended loans to companies that use the funds to lend to small companies and start up businesses, either in the form of working capital loans or equipment leases. Although the bank does not have control over the end user of the funds, it is one method of providing funds to qualified small businesses in a manner that is consistent with the bank's lending guidelines and expertise. Examples of this type of lending include a $500,000 line of credit (originally opened October 1987, currently $300,000 outstanding) to a commercial finance company that finances equipment installment notes to restaurants and small grocery stores in New York City; an $800,000 credit line (originally opened October 1986, currently $454,000 outstanding) to finance industrial and broadcast video equipment to small businesses in New York City; and a $2,000,000 line of credit (originally granted in February 1996, currently $1,762,000 outstanding) to a company that finances dry cleaners in New York City and the surrounding counties.

Please refer to Assessment Factors J and H concerning the bank's financing of Small Business Investment Corporations (SBICs). Similar to the above third-party lending, these corporations also finance the credit needs of small businesses. Limited information is available concerning the location of small businesses funded by the $7,500,000 lines of credit extended to SBICs. The bank also has committed $20,500,000 in lines of credit to Specialized SBICs and Minority Enterprise SBICs (refer to Assessment Factor J for descriptions): approximately 75% of the small business loans extended by these Manhattan-based companies are New York City taxicab medallion loans.

The bank has financed $4 million in projects to rehabilitate residential buildings in low- to moderate-income areas and $4 million in projects to rehabilitate light commercial and industrial properties to be used for small businesses. These projects are discussed in detail under Assessment Factor H.

The bank's origination of small business loans through third parties is adequate given the lending constraints of the bank.

Assessment Factor J - The institution's participation in governmentally-insured, guaranteed or subsidized loan programs for housing, small businesses, or small farms.

Conclusion/Support:

The bank does not engage in direct residential, small business, or small farm lending. However, the bank does finance Small Business Investment Companies (SBICs). SBICs are financing companies formed to provide loans to small businesses and are regulated and partially funded by the Small Business Administration (SBA). The bank regularly lends to SBICs, either to fund loans to small businesses or as temporary credit if SBA funding is slow. SBIC's are further specialized as follows: Specialized SBICs (SSBICs), Minority Enterprise SBICs (MESBICs), and Regulated Investment Companies (RICs). As noted under Assessment Factor H, the bank has committed to $7,500,000 in credit lines to SBICs and $20,500,000 to SSBICs and MESBICs.

The bank also lends funds to government-sponsored projects and development corporations as noted under Assessment Factor H, including the New York Business Development Corporation and the New York City Industrial Development Authority.

The bank currently has $4 million of FNMA and $10 million of FHLMC loan pool securities outstanding, all purchased since the previous examination. There is no indication as to whether the mortgages underlying the securities are located within the bank's delineated community or in low- to moderate-income census tracts.

While the bank does not have the expertise to engage in retail lending, its use of third parties to offer government-guaranteed or sponsored loans is considered adequate.

III. Geographic Distribution and Record of Opening and Closing Offices

Reasonableness of Delineated Community

The bank has delineated its community as the area bordered on the east by Park Avenue, on the west by 7th Avenue, on the north by 48th Street, and on the south by 31st Street. This area encompasses two census tracts in their entirety and parts of nine census tracts. The delineation has not changed since the previous examination.

The two whole census tracts included in the bank's delineation are considered upper-income (median family income is 120% or more of the Metropolitan Statistical Area's (MSA) median family income) census tracts; the remaining nine partial tracts are as follows: three upper-income, one middle-income (between 80% and 120% of MSA median family income), four moderate-income (50% to 80%), and one low income (less than 50%). The area is wholly located within New York State and New York MSA #5600. The delineated community is primarily comprised of commercial buildings, hotels, and wholesale and retail businesses. Therefore, the primary needs of the community are met through commercial lending.

The bank's delineated community does not arbitrarily exclude any low- to moderate-income census tracts. However, due to the type of business the bank engages in, the delineated community could be considered constrictive. The delineation should be expanded to better reflect the bank's domestic lending area. For the purposes of this examination, the bank's community development lending will be considered throughout New York City.

The bank's domestic activities serve the wholesale and large commercial credit needs of the metropolitan tri-state (New York, New Jersey, and Pennsylvania) area, particularly New York City. The New York City area is highly populated and urbanized and supports numerous types of industries. Competition among the financial institutions in this area is intense. The area is served by large money-center banks, super-regional banks, savings associations, foreign banks, local community banks, and nondepository institutions. The income levels of the census tracts throughout this area are diverse, and the income levels within the metropolitan census tracts also deviate highly. For a wholesale bank, community development opportunities are generally limited to participation in lending consortia and other third party lending. Due to the nature of the lending activities of the bank and the characteristics of the bank's delineated community and lending area, an intensive study of the demographics in the delineated area would not be meaningful.

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

Conclusion/Support:

The bank has reviewed its commercial loan portfolio to determine the dollar amount of loans within the delineated community. According to the bank's July 31, 1996 analysis, 40% of the bank's net domestic loan portfolio is located inside the delineated community; a similar analysis indicated that loans outstanding to borrowers located within the five boroughs of New York City represent 74% of the bank's domestic loan portfolio. Management stated that new facilities approved to borrowers located in the bank's delineated community totaled $51,450,000 and $97,250,000 in 1995 and the first eight months of 1996, respectively.

As noted under Assessment Factor K, the bank is a foreign-owned, wholesale institution. Management's expertise is short- to medium-term, large commercial loans, letters of credit, and lines of credit. Most of the bank's overall lending activities, which occur in a broad market area, involve either loans that are short-term and frequently renewed or commitments that are not funded. Therefore, the percentage of loans the bank has extended inside and outside its community is not as meaningful as in a retail institution. However, given the bank's lending constraints, the geographic distribution of the bank's credits is considered adequate.

Assessment Factor G - The institution's record of opening and closing offices and providing services at offices.

Conclusion/Support:

The bank's main office and branch are both located in Manhattan: the main office is located at 511 Fifth Avenue and the branch is located at 1350 Broadway. The main office is located on the edge of middle-income and upper-income census tracts; the Broadway office is located in a nearby moderate-income census tract. The offices are open from 9am to 3pm for retail services. Management accommodates its wholesale customers both before and after regular bank hours.

Although the bank operates a branch office in addition to the branch at the main office, the bank does not have a branch closing policy as required by statement of policy. The bank has no plans to open or close any branches and does not offer ATM services.

IV. Discrimination and Other Illegal Credit Practices

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

Conclusion/Support:

There is no evidence indicating that the bank discourages applications for any type of credit set forth in the CRA Statement. Applications are accepted from all segments of the local community and credit is approved or denied based on creditworthiness. A review of installment loan applications confirmed that loan denials were based on applicant creditworthiness.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

Conclusion/Support:

The bank is in compliance with the general provisions of the antidiscrimination laws and regulations. A technical violation of Equal Credit Opportunity was cited during the examination: management immediately implemented procedures to prevent future infractions. There was no evidence of prohibited discriminatory or other illegal credit practices.

V. Community Development

Assessment Factor H - The institution's participation, including investments, in local community development and redevelopment projects or programs.

Conclusion/Support:

The following lines of credit to SBICs (refer to Assessment Factor J for definitions) have been originated or renewed since the previous examination.

> First Wall Street SBIC, Limited Partnership, Manhattan. The bank originated a $2 million line of credit on April 3, 1996; $0 outstanding.

Interequity Capital Partners, Manhattan. The bank extended a $2 million line of credit in February 1995; $0 outstanding. The loans of this SBIC are located primarily in New York and New Jersey, with some loans extended elsewhere in the United States.

Sterling Commercial Capital Incorporated, Great Neck, New York. The bank originated a $2 million line of credit on June 13, 1993; $625,000 is outstanding. The loans of the SBIC are primarily located in New York City, Long Island, and New Jersey.

Winfield Capital Corporation, White Plains, New York. The bank originated a $500,000 line on August 29, 1989; $5,000 is outstanding. The loans of the SBIC are primarily located in New York City, Long Island, New York State, and New Jersey, with a few located out of the area.

Fundex Capital Corporation, Great Neck, New York. The bank originated a $1 million line of credit on April 27, 1984; $0 outstanding. A note to the loan file dated November 15, 1995, stated that management is currently not seeking out new business.

The following SSBIC, MESBICs, and RICs (refer to Assessment Factor J for definitions), lines of credit have been originated or renewed since the previous examination. All of the companies are located in Manhattan, and at least 75% of the loans of these companies are New York City taxicab medallion loans.

Edwards Capital Company (RIC, SBIC), $2,500,000 line of credit originated on May 7, 1991; $1,150,000 outstanding.

Medallion Funding Corporation (MESBIC, SSBIC, RIC), $7,500,000 line of credit originated on April 16, 1990; $4,000,000 outstanding. A note in the loan file stated that the purpose of this company is to “make installment loans to persons defined by the SBA as socially or economically disadvantaged.”

Elk Associates Funding Corporation (MESBIC), $5 million line of credit extended June 16, 1989; $3,025,000 outstanding.

Pierre Funding Corporation (MESBIC), $3 million line of credit extended May 25, 1990; $2,375,000 outstanding.

Venture Opportunities Corporation (MESBIC), $2,500,000 line of credit originated March 1990; $0 outstanding.

Light Industrial/Commercial Rehabilitation Loans

Hall Street Industrial Realty loan originated February 22, 1995, currently $2,510,000 is outstanding. The funds were used to renovate 10 interconnected industrial buildings in a low-income census tract in Brooklyn. The buildings are included in New York City's Tax, Water, and Sewer Abatement Programs. According to management, the tenants are all small businesses.

25 Jay Street Associates loan originated February 7, 1996 for $920,000, with a current balance of $692,000. This 50,000 square foot industrial building was rehabilitated and subdivided. According to management, the building is now occupied by a variety of small businesses, including small light manufacturing (woodworking, metal, and plastics) and small fish wholesalers. Although management stated that this loan is located in a low- to moderate-income area of Brooklyn, current census data indicates that the property is located in an upper-income census tract.

68 Jay Street Associates loan originated September 22, 1987, and restructured July 22, 1992, with a current balance of $1,190,000. The purpose of the original loan was to rehabilitate and subdivide this 300,000 square food light industrial building; however, management stated that the funds were never used as intended. According to management, after the loan was restructured, the proceeds were used for the rehabilitation of the property. According to management, the tenants of the property are all small businesses. Although management asserts that the property is in a low- to moderate-income area of downtown Brooklyn, current census data indicates that the property is located in an upper-income census tract.

Loans for Rehabilitation of Rental Properties

114 Fenimore Associates loan originated May 12, 1989 for $1 million; as of June 30, 1996, $866,000 was outstanding, but the loan was paid off in August 1996. The proceeds were used to rehabilitate a 41-unit, 6-story elevator rental apartment building in a moderate-income census tract in Brooklyn.

160 West 142nd Street loan originated February 10, 1988 for $2 million. Proceeds were originally used to rehabilitate two six-story walkup rental buildings in Harlem. According to management, one of the original buildings was sold, and the current property held as collateral is now being renovated. According to the loan file, the property houses a Latin market and a health food store. Outstanding balance is $449,000. The property is located in a low-income census tract.

300 East 4th Street loan originated April 8, 1987 for $1 million, with a current balance of $800,000. The proceeds were used to rehabilitate a 20-unit coop apartment building in a low-income census tract in lower Manhattan. Loan file memos indicate that 15 of the units were sold to the guarantors of the loan who have leased the units to tenants not subject to rent control or rent stabilization; according to an income statement, average rents are $1,250 per unit.

> Pelham Realty Partners loan originated August 4, 1995 for $2 million, with a current balance of $1,192,000. The proceeds were used to rehabilitate four six-story elevator buildings (a total of 310 co-op units) located in a middle-income census tract in the Pelham Parkway section of the Bronx. Seventy units are sold and 168 units are rented for $575 to $925 per month. According to loan file memorandum, the borrower's intention is to renovate the vacant units and rent them at market rents (on average at least $1,500 per unit).

The bank has issued two letters of credit in favor of the Community Preservation Corporation: the first, dated June 13, 1994 for $158,000, is for the rehabilitation of a six-story elevator building containing 55 units in a low-income census tract in the Bronx; the second, dated June 4, 1996 for $506,000, is for the rehabilitation of several buildings containing a total of 59 rental units in a low-income census tract in Harlem.

On February 23, 1994, the bank originated a $500,000 line of credit to the New York Business Development Corporation; currently $203,000 is outstanding. The project provides long-term working capital, equipment, and real estate loans to businesses in New York State. The loans are secured by either the borrower's assets or SBA guarantees. The pool is funded with loans from member financial institutions.

The bank has two loans to programs directed by the New York City Industrial Development Authority. Mademoiselle Knitwear Incorporated is located in a low income census tract in Brooklyn, New York. The loan was originated in 1986 and as of June 30, 1996, has an outstanding balance of $2,475,000. Universal Children's Wear Incorporated is located on the edge of moderate-income and upper-income census tracts in Brooklyn, New York. The loan was originated on August 17, 1988 for $1,900,000 and $1,418,000 is currently outstanding.

The bank has a $10,000 term deposit in Homesteaders Federal Credit Union in Manhattan originally deposited in March 1995 and a $100,000 deposit in Community Capital Bank in Brooklyn originally deposited in February 1992. The credit unions use the funds to provide loans to families and individuals in the low- to moderate-income areas of their neighborhoods.

The bank maintains deposit accounts for the Interest on Lawyer Account Fund of the State of New York (IOLA). IOLA is a program that funds nonprofit organizations that provide legal services to the poor and funds programs to improve the administration of justice in New York. IOLA income is derived from interest income generated from lawyers' pooled client trust accounts. Since May 1995, the bank has waived service charges and fees on these accounts.

The bank has provided $6,750 in grants during 1995 and 1996 to the following community development interests: Neighborhood Housing Services, New York City

Partnership, South Bronx Overall Economic Development Corporation, LEAP Incorporated, Housing Works Incorporated, and Lawyers Alliance for New York.

The bank has two school district bonds that benefit areas in New York State: Cobleskill-Richmondsville, purchased August 14, 1996 for $475,000, and Lockport City School District, purchased September 5, 1996 for $1 million.

While not all of the bank's lines to SBIC interests are funded, the bank's commitment to these third party small business lenders is substantial. Although the New York Business Development Corporation and Industrial Development Authority loans were originated prior to the previous examination, the balances outstanding are substantial. Although the 300 East 4th Street and Pelham Realty properties do not appear to meet the requirements for community development and the two school district bonds are not located in New York City, the bank's commitment to community development projects is significant.

Assessment Factor K - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

Conclusion/Support:

Israel Discount Bank of New York (IDB) is a subsidiary of Israel Discount Bank Limited, which is headquartered in Tel-Aviv, Israel. The bank has one subsidiary, Discount Bank (Latin America), located in Montevideo, Uruguay. The activities of this subsidiary, which are similar to IDB's activities, are conducted primarily in Latin America. The bank also operates an International Banking Facility in Grand Cayman.

IDB's activities are wholesale in nature: its primary purpose is to provide services for foreign trade clients through letters of credit, commercial paper, import/export financing, money transfers, and foreign exchange. IDB also provides services for correspondent banks and middle market financing, including asset-based lending and loans (limited to five year terms) for income producing properties in the tri-state (New York, New Jersey, and Pennsylvania) area. The bank's policy, as well as its parent's, is to not originate long term loans or long term real estate mortgage loans for permanent financing.

While the bank offers consumer loans in the form of installment loans, these loans are not marketed to the general public, and the limited terms and interest rates offered are prohibitive. Consumer loans are generally available for existing business customers, the bank's employees, and the employees of Maritime Overseas Corporation, with whom the bank has a guarantee agreement and a business relationship.

As of June 30, 1996, the bank had total consolidated assets of $3,720,071,000 consisting primarily of interest-bearing balances of $2,266,541,000, securities of $345,227,000, Federal Funds sold of $130,191,000, and net loans of $863,985,000; equity capital of

$339,078,000; and deposits of $3,288,532,000. These accounts include the activities of the bank's foreign operations which are excluded for CRA purposes. Gross domestic loans as of June 30, 1996, were $691,991,000 and domestic deposits were $1,762,720,000; the domestic portion of the bank's domestic loan portfolio was $671,007,000 and the domestic portion of the bank's deposits was $1,744,410,000, leaving a loan to deposit ratio of 38%. This loan to deposit ratio is considered adequate given the nature of the bank's business as discussed above.

IDB does not have the personnel or expertise to engage in retail lending. There are no other impediments to the bank's ability to meet the credit needs of its community.

Assessment Factor L - Any other factors that, in the regulatory authority's judgment, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

Conclusion/Support:

From July 1995 through March 1996, the bank donated 44 used personal computers to a variety of specialized credit unions, nonprofit community development organizations, and religious organizations located throughout New York City and surrounding counties.

During the 1995/96 school year, the bank participated in the LaGuardia Community College's Division of Cooperative Education internship program. The bank paid cumulative salaries of approximately $100,000 intended to support the students' educational expenses.